

## Chapter Overview

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**Introduction**      The objective of this chapter is to provide a concise, user friendly job aid or starting, stopping, or changing an allotment or bond, claiming non-receipt of an allotment or bond, and changing a member's tax status. This chapter provides checklists, guides, and information required to complete these tasks.

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## **Section Overview**

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**Introduction**      This section provides you with the procedures needed to start, stop or change an allotment or bond and for submitting a claim for non-receipt of an allotment or bond.

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**In this section**

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## **Allotments and Bonds**

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<b>Introduction</b>	<p>The allotment system is a convenience provided to active duty members (or reservists on active duty for 140 days or more) for deductions from their monthly pay. These deductions can be used for savings, loans, insurance, U.S. Savings Bonds, charities, support of dependents, education, CG associated dues, and any other legal purpose. There are times when you need to stop, start, or change an allotment or a bond and this job aid explains the process.</p>										
<b>Reference</b>	<p>COMDTINST M7220.29 (series), CG Pay Manual, Section 7-B, Allotment From Pay</p>										
<b>Procedures</b>	<p>To change or stop an allotment or a bond:</p> <ul style="list-style-type: none"><li>• Submit an Allotment Worksheet (CG HRSIC-2040, from Enclosure (1) to this manual). or a Bond Worksheet (CG HRSIC-2060, from Enclosure (1) to this manual), or if starting a CFC allotment, submit the CFC pledge card (provided with CFC fund raising materials) to the PERSRU</li><li>• Or, make a pen and ink change to the LES (see below).</li></ul>										
<b>Pen and ink change to the LES</b>	<p>Make the following pen and ink change to the LES when stopping or changing an allotment or bond.</p> <table border="1"><thead><tr><th><b>Step</b></th><th><b>Action</b></th></tr></thead><tbody><tr><td>1</td><td>Line out the allotment information affected.</td></tr><tr><td>2</td><td>Enter the new allotment information in the same block.</td></tr><tr><td>3</td><td>Sign and date beside the new information.</td></tr><tr><td>4</td><td>Make a copy for your files.</td></tr></tbody></table>	<b>Step</b>	<b>Action</b>	1	Line out the allotment information affected.	2	Enter the new allotment information in the same block.	3	Sign and date beside the new information.	4	Make a copy for your files.
<b>Step</b>	<b>Action</b>										
1	Line out the allotment information affected.										
2	Enter the new allotment information in the same block.										
3	Sign and date beside the new information.										
4	Make a copy for your files.										
<b>Disposition</b>	<p>Forward whichever form is used to the PERSRU.</p>										

**Section A**  
**ALLOTMENTS AND BONDS**

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## Allotment Check-off List

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**Introduction**      This checklist provides a job aid to be used when a unit/PERSRU is completing necessary tasks for starting, changing, or stopping allotments. It is designed to be reproduced locally.

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**Checklist**          Standard procedures for allotments.

Step	Item	Applies To	Check Off
1	Allotment must be for an authorized purpose. Refer to Section 7-A, CG PAYMAN or the reverse side of the Allotment Worksheet (CG-HRSIC-2040) for allotment rules.	Starts	
2	Only 14 allotments are allowed at any one time. No more than 6 discretionary allotments are allowed.	Starts	
3	A member may have multiple allotments to the same payee provided: (1) The allotments are sent by direct deposit; and (2) Each allotment has a unique account number.	Starts	
4	Member must not be liquidating advance pay and allowances. (Otherwise, member's account may become overallotted.)	Starts Changes	
5	Member must have enough projected pay to cover new allotment amount.	Starts Changes	
6	Allotment starts and changes must process in PMIS/JUMPS prior to mid-month compute; e.g., an allotment start effective 1 June must process in PMIS/JUMPS prior to mid-month June compute cycle cutoff.	Starts Changes	
7	Allotment stops must process in PMIS/JUMPS prior to end-month compute of the following month; e.g., an allotment stop effective 30 June must process in PMIS/JUMPS prior to the July end-month compute cycle.	Stops	
8	Allotments may not be submitted to PMIS/JUMPS more than two months in advance of desired action.	Starts Changes Stops	

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## Nonreceipt of an Allotment or Bond

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**Introduction**      This job aid explains the process for reporting nonreceipt of an allotment, or the loss, theft, or destruction of a savings bond.

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**Reference**      COMDTINST M7220.29 (series), CG Pay Manual, Section 7-B, Purchase of U.S. Savings Bonds

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**Procedures**      Follow these procedures for claiming nonreceipt of an allotment or savings bond.

<b>When allotment type is</b>	<b>Then the....</b>	<b>Does this....</b>
Check to individual or blanket payee	Member	Completes Nonreceipt Worksheet, CG HRSIC-2050, (from enclosure (1) of this manual) 5 postal days after date of check
	Unit	Forwards worksheet to PERSRU
	PERSRU	<ul style="list-style-type: none"><li>• Verifies information</li><li>• notifies HRSIC (MAS)</li><li>• Forwards signed original Nonreceipt Worksheet to HRSIC (MAS)</li><li>• Retains a file copy of Nonreceipt Worksheet</li></ul>
	HRSIC (MAS)	<ul style="list-style-type: none"><li>• Recertifies allotment check</li><li>• If Nonreceipt Worksheet submitted over 45 days from date of original check, Treasury must determine status before recertification.</li></ul>
Savings Allotment (EFT)	Member	Notifies unit admin office
	Unit	Notifies PERSRU
	PERSRU	Verifies information and notifies HRSIC (MAS)
	HRSIC (MAS)	Locates original payment or makes special EFT payment, normally within 2 business days

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## Nonreceipt of an Allotment or Bond, Continued

### Procedures (continued)

When allotment type is	Then the....	Does this....		
Savings Bond	Member	For non-receipt of savings bonds, members must wait 30 days from expected delivery date then:		
		<ul style="list-style-type: none"><li>• Sends an E-mail message to HRSIC (DC) using the E-mail address --“HRSICBONDS” with the following information:<ul style="list-style-type: none"><li>• member’s SSN</li><li>• member’s name (last, first, mi)</li><li>• member’s rank</li><li>• member’s unit</li><li>• approximate issue date of bond</li><li>• face value of bond</li><li>• name and SSN of bond owner (if the member is not the owner)</li><li>• mailing address of lost bond</li><li>• correct mailing address</li></ul></li></ul>		
		<b>If</b>	<b>Then</b>	<b>And</b>
		the member does not have access to E-mail	Complete a Nonreceipt Worksheet, CG HRSIC-2050 (from Enclosure (1) of this manual)	Mail to HRSIC (DC)
	for lost, stolen, or mutilated savings bonds:			
		<ul style="list-style-type: none"><li>• Obtains Bureau of the Public Debt (BPD) Form PD-3062 from any banking institution, or HRSIC (DC)</li><li>• Forwards completed PD-3062 to BPD (instructions and address are on the form)</li></ul>		
	HRSIC (DC)	<ul style="list-style-type: none"><li>• Verifies bond information</li><li>• Forwards appropriate BPD form to member</li></ul>		
	Member	Completes form and forwards directly to BPD		

## Section Overview

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**Introduction** This section provides information needed to change federal tax withholding, apply for advance of federal earned income credit, change state tax withholding, or state of legal residence, and report entitlement to Combat Tax Exclusion. This section will also assist you in requesting a duplicate or corrected W-2 form.

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**In this section**

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Changing State of Legal Residence	8-B-3
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## Federal Income Tax Withholding and Advance EIC

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**Introduction** Every member is required to file an IRS Form W-4 when a pay account is initially opened. Once the tax withholding is started there are times when it needs to be changed. This provides a job aid in assisting a member who is changing their tax withholding.

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**Reference** COMDTINST M7220.29 (series), CG Pay Manual:  
Section 8-A, Withholding of Federal Income Tax  
Section 8-E, Advance Payment of EIC

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**Federal income tax withholding** To change federal income tax withholding, the member must:

Step	Action
1	Complete IRS Form W-4
2	Forward to PERSRU

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**Advance of Federal Earned Income Credit (EIC)** To begin receiving or change status for advance EIC, the member must complete an IRS Form W-5 and forward it to the PERSRU.

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**Additional income considered when determining eligibility for EIC** When military personnel are computing their eligibility for EIC they must include the amounts paid (either in-kind or actual) for BAH Type II, Combat Wages, and a subsistence amount equal to enlisted Separate Rations (applies to both officers and enlisted).

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## State Income Tax Withholding and State of Legal Residence

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**Introduction** Every member, who is a resident of a state authorized to have state income tax withheld from military pay, is required to file the appropriate state tax withholding document when a pay account is initially opened. Once the tax withholding is started there are times when it may need to be changed. This provides a job aid in assisting a member who is changing their tax withholding.

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**Reference** COMDTINST M7220.29 (series), CG Pay Manual, Section 8-B, Withholding of State and Local Tax

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**State income tax withholding** To change state income tax withholding, the member must:

Step	Action
1	Complete the appropriate State tax form (see State Tax Listing beginning on page 8-B-4)
2	Forward to PERSRU

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**Changing State of legal residence** To change a member's state of legal residency, submit a DD Form 2058 (CG) to the PERSRU. Give the pink copy to the member. Discard the green copy.

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**Section B**  
**TAXES**

## State Tax Listing

### Introduction

The two charts below provide valuable information to the member on each state concerning withholding requirements, tax forms addresses, phone numbers and internet addresses. The first chart separately lists those states which offer internet addresses and tax forms available on-line for downloading.

State	Internet Address
Alabama	<a href="http://www.ador.state.al.us">http://www.ador.state.al.us</a>
Alaska	<a href="http://www.revenue.state.ak.us">http://www.revenue.state.ak.us</a>
Arizona	<a href="http://www.revenue.state.az.us">http://www.revenue.state.az.us</a>
Arkansas	<a href="http://www.ark.org/dfa/taxes/index.html">http://www.ark.org/dfa/taxes/index.html</a>
California	<a href="http://www.ftb.ca.gov">http://www.ftb.ca.gov</a>
Colorado	<a href="http://www.revenue.state.co.us">http://www.revenue.state.co.us</a>
Connecticut	<a href="http://www.state.ct.us/drs">http://www.state.ct.us/drs</a> Note: Members who claim Connecticut as their state of legal residence and are eligible to claim exemption from CT state income taxes must certify their exemption status by 15 Feb <u>each</u> year on the CT-W4.
Delaware	<a href="http://www.state.de.us/revenue">http://www.state.de.us/revenue</a>
D.C.	<a href="http://www.dccfo.com">http://www.dccfo.com</a>
Florida	<a href="http://www.state.fl.us/dor/">http://www.state.fl.us/dor/</a>
Georgia	<a href="http://www2.state.ga.us/Departments/DOR/">http://www2.state.ga.us/Departments/DOR/</a>
Hawaii	<a href="http://www.state.hi.us/tax/tax.html">http://www.state.hi.us/tax/tax.html</a>
Idaho	<a href="http://www.state.id.us/tax">http://www.state.id.us/tax</a>
Illinois	<a href="http://www.revenue.state.il.us">http://www.revenue.state.il.us</a>
Indiana	<a href="http://www.ai.org/dor/index.html">http://www.ai.org/dor/index.html</a>
Iowa	<a href="http://www.state.ia.us/tax">http://www.state.ia.us/tax</a>
Kansas	<a href="http://www.ink.org/public/kdor/">http://www.ink.org/public/kdor/</a>
Kentucky	<a href="http://www.state.ky.us/agencies/revenue/assistance.htm">http://www.state.ky.us/agencies/revenue/assistance.htm</a>
Louisiana	<a href="http://www.rev.state.la.us/">http://www.rev.state.la.us/</a>
Maine	<a href="http://www.janus.state.me.us/revenue/">http://www.janus.state.me.us/revenue/</a>
Maryland	<a href="http://www.comp.state.md.us/">http://www.comp.state.md.us/</a> or <a href="http://www.marylandtaxes.com/">http://www.marylandtaxes.com/</a>
Massachusetts	<a href="http://www.state.ma.us/dor">http://www.state.ma.us/dor</a>
Michigan	<a href="http://www.treas.state.mi.us">http://www.treas.state.mi.us</a>
Minnesota	<a href="http://www.taxes.state.mn.us">http://www.taxes.state.mn.us</a>
Mississippi	<a href="http://www.mstc.state.ms.us/">http://www.mstc.state.ms.us/</a>

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**Section B**  
**TAXES**

## State Tax Listing, Continued

Missouri	<a href="http://www.dor.state.mo.us/">http://www.dor.state.mo.us/</a>
Montana	<a href="http://www.mt.gov.revenue/">http://www.mt.gov.revenue/</a>
Nebraska	<a href="http://www.nol.org/revenue">http://www.nol.org/revenue</a>
Nevada	<a href="http://www.state.nv.us/taxation/">http://www.state.nv.us/taxation/</a>
New Hampshire	<a href="http://www.state.nh.us/revenue/revenue.htm">http://www.state.nh.us/revenue/revenue.htm</a>
New Mexico	<a href="http://www.state.nm.us/tax/">http://www.state.nm.us/tax/</a>
New York	<a href="http://www.tax.state.ny.us">http://www.tax.state.ny.us</a>
No. Carolina	<a href="http://www.dor.state.nc.us/DOR">http://www.dor.state.nc.us/DOR</a>
No. Dakota	<a href="http://www.state.nd.us/taxdpt">http://www.state.nd.us/taxdpt</a>
Ohio	<a href="http://www.state.oh.us/tax/">http://www.state.oh.us/tax/</a>
Oklahoma	<a href="http://www.oktax.state.ok.us">http://www.oktax.state.ok.us</a>
Oregon	<a href="http://www.dor.state.or.us">http://www.dor.state.or.us</a>
Pennsylvania	<a href="http://www.revenue.state.pa.us">http://www.revenue.state.pa.us</a>
Rhode Island	<a href="http://www.doa.state.ri.us/tax/">http://www.doa.state.ri.us/tax/</a>
So. Carolina	<a href="http://www.dor..state.sc.us">http://www.dor..state.sc.us</a>
So. Dakota	<a href="http://www.state.sd.us/state/executive/revenue/revenue.html">http://www.state.sd.us/state/executive/revenue/ revenue.html</a>
Tennessee	<a href="http://www.state.tn.us/revenue">http://www.state.tn.us/revenue</a>
Texas	<a href="http://www.window.state.tx.us/">http://www.window.state.tx.us/</a>
Utah	<a href="http://www.tax.ex.state.ut.us">http://www.tax.ex.state.ut.us</a>
Vermont	<a href="http://www.state.vt.us/tax/">http://www.state.vt.us/tax/</a>
Virginia	<a href="http://www.state.va.us/">http://www.state.va.us/</a>
Washington	<a href="http://www.wa.gov/DOR/">http://www.wa.gov/DOR/</a>
W. Virginia	<a href="http://www.state.wv.us/taxdiv">http://www.state.wv.us/taxdiv</a>
Wisconsin	<a href="http://www.dor.state.wi.us/">http://www.dor.state.wi.us/</a>
Wyoming	<a href="http://www.revenue.state.wy.us/revframe.htm">http://www.revenue.state.wy.us/revframe.htm</a>

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**Section B**  
**TAXES**

## State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Alabama (334) 242-1170	Yes	State Form A-4	Alabama Department of Revenue Individual & Corporate Tax Division PO Box 327465 Montgomery, AL 36132-7465
Alaska (907) 465-2300	NO STATE INCOME TAX		
Arizona (602) 255-3381	Yes	State Form A-4 or A-4M	Arizona Department of Revenue Taxpayer Information & Assistance PO Box 29086 Phoenix, AZ 85038-9086
Exemption to state withholding: Legal residents of the state who do not reside in the state may elect not to have state taxes withheld. However, members should be cautioned that this is not an exemption from state taxes, and individuals are required to file returns and remit any taxes owed.			
Arkansas (501) 682-7225	Yes	State Form AR-4EC	Arkansas Department of Finance and Administration Individual Income Tax Section Rm 227, Ledbetter Building Little Rock, AR 72203
California 800-338-0505 (automated) 800-852-5711	Yes	Federal Form W-4 *	California Franchise Tax Board PO Box 942840 Sacramento, CA 94240-0040
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Colorado 800-881-0172	Yes	Federal Form W-4 *	Colorado Department of Revenue 1375 Sherman Street Denver, CO 80261
Connecticut 800-382-9463 (in state) (860)297-4991(out of state)	Yes	State Form CT-W4	Taxpayer Services Division Department of Revenue Services 25 Sigourney Street Hartford, CT 06106
Conditions for exemption from state tax: If the member does not maintain a permanent place of abode in the state, AND maintains a permanent place of abode outside the state, AND spends not more than 30 days in the state during the tax year. Members occupying single-type government quarters are NOT considered to be maintaining a permanent place of abode in the state.			
Delaware (302) 577-8200	Yes	Federal Form W-4 *	Delaware Division of Revenue 820 N. French Street Wilmington, DE 19801
District of Columbia (202) 727-4829	Yes	State Form D-4	DC Government Office of Tax & Revenue 441 Fourth St. NW, Suite 550 Washington, DC 20001
Florida (850) 922-4827	NO STATE INCOME TAX		
Georgia (404) 656-4188	Yes	State Form G-4	Georgia Department of Revenue 2700 Washington St. SW Atlanta, GA 30334
Hawaii 800 222-3229	Yes	State Form HW-4	Hawaii Department of Taxation PO Box 3559 Honolulu, HI 96811-3559

\* These states use Federal W-4 annotated "For SITW Purposes Only".

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## State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Idaho (208) 334-7660 800-972-7660	Yes	Federal Form W-4*	Taxpayer Services Idaho State Tax Commission PO Box 36 Boise, ID 83722-0036
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Illinois 800-732-8866	No (exempts all active duty military pay)		Illinois Department of Revenue Taxpayer Correspondence PO Box 19044 Springfield, IL 62794-9044
Indiana (317) 232-2240	Yes	State Form WH-4	Indiana Department of Revenue Taxpayer Services Division Indiana Government Center 100 N. Senate Avenue, No. 105 Indianapolis, IN 96811
Iowa 800-367-3388 (in state) (515) 281-3114 (out of state)	Yes	State Form IA-W4	Iowa Department of Revenue and Finance Taxpayer Services Hoover State Office Building Des Moines, IA 50319
Kansas (785) 368-8222	Yes	Federal Form W-4 *	Kansas Department of Revenue Taxpayer Assistance Bureau 915 SW Harrison Street Topeka, KS 66625-0001
Kentucky (502) 564-4581	Yes	State Form K-4	Kentucky Revenue Cabinet Taxpayer Assistance 200 Fair Oaks Lane Frankfort, KY 40620
Louisiana (504) 925-4611	Yes	Federal Form W-4 *	Louisiana Department of Revenue PO Box 201 Baton Rouge, LA 70821
Maine (207) 626-8475	Yes	Federal Form W-4 *	Maine Revenue Services Income/Estate Tax Division 24 State House Station Augusta, ME 04333-0024
Maryland (410) 260-7980 (Central MD) 800-638-2937 (Others)	Yes	State Form MW-507	Maryland Taxpayer Service 110 Carroll St Annapolis, MD 21411
Massachusetts (617) 887-6367 800-392-6089 (In state)	Yes	Federal Form W-4 *	Massachusetts Taxpayers Assistance 100 Cambridge Street Boston, MA 02204
Michigan 800-487-7000	No (exempts all active duty military Pay)		Michigan Department of the Treasury Treasury Building Lansing, MI 48922
Minnesota (651) 296-3781 800-652-9094	Yes	Federal Form W-4 *	Minnesota Department of Revenue Individual Income Tax Division Mail Station 5510 St. Paul, MN 55164-5510

\* These states use Federal W-4 annotated "For SITW Purposes Only".

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**Section B**  
**TAXES**

## State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Mississippi (601) 923-7089	Yes	State Form 62-420	Mississippi State Tax Commission PO Box 1033 Jackson, MS 39215-3338
Missouri (573) 751-7191	Yes	State Form MO W-4	Taxpayer Services Missouri Department of Revenue PO Box 3300 Jefferson City, MO 65105
Conditions for exemption from state tax: See the rules for Connecticut.			
Montana (406) 444-3674:	Yes (exempts all active duty military pay)	Federal Form W-4 *	Montana Department of Revenue PO Box 5805 Helena, MT 59604
Conditions for exemption from state tax	If member performs active duty in the Regular Armed Forces, is legal resident of Montana, and entered into active duty from Montana. However, members serving in Reserve components should have state income taxes withheld. Active duty personnel must file a return even if qualified for an exemption.		
Nebraska 800-742-7474	Yes	Federal Form W-4 *	Nebraska Department of Revenue 301 Centennial Mall S. PO Box 94818 Lincoln, NE 68509-4818
Nevada	NO STATE INCOME TAX		
New Hampshire	NO STATE INCOME TAX		
New Jersey 800-323-4400 (609) 292-6400	Yes	Federal Form W-4 *	Division of Taxation PO Box 266 Trenton, NJ 08695-0266
Conditions for exemption from state tax: See the rules for Connecticut.			
New Mexico (505) 827-0700	Yes	Federal Form W-4 *	Taxation and Revenue Department PO Box 630 Santa Fe, NM 87504-0630
New York 800-225-5829	Yes	Federal Form W-4 *	Correspondence Unit W.A. Harriman Campus Albany, NY 12227
Conditions for exemption from state tax: See the rules for Connecticut.			
North Carolina (919) 733-4684	Yes	State Form NC-4	Department of Revenue PO Box 25000 Raleigh, NC 27640-0640
North Dakota 800-638-2901 (In state) (701) 328-3450 (Out of state)	Yes	Federal Form W-4 *	State the Tax Commissioner State Capitol 600 E Boulevard Avenue Bismarck, ND 58505-0599
Ohio 800-282-1780	Yes	State Form IT-4	Taxpayer Services Division 830 Freeway Drive N Columbus, OH 43229
Oklahoma 800-522-8165 (In state) (405) 521-3160	Yes	Federal Form W-4 *	Taxpayer Assistance Division 2501 Lincoln Boulevard Oklahoma City, OK 73194
Oregon 800-356-4222 (In state 1/30 thru 4/30) (503) 378-4988 (All others)	Yes	Federal Form W-4 *	Revenue Building Tax Help, Room 135 955 Center Street NE Salem, OR 97310
Conditions for exemption from state tax: See rules for Connecticut.			

\* **These states use Federal W-4 annotated "For SITW Purposes Only".**

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**Section B**  
**TAXES**

## State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Pennsylvania 888-728-2937	Yes	Federal Form W-4 *	Bureau of Individual Taxes Taxpayer Inquiry Unit 5 <sup>th</sup> Floor, Strawberry Square Harrisburg, PA 17128
Conditions for exemption from state tax: See rules for Connecticut.			
Puerto Rico	Yes (If stationed outside the U.S.)	Form 499R-4.1	Director, Income Tax Division Treasury Department PO Box S-4515 San Juan, PR 00901
<b>Note:</b> Filing of a tax return and payment of personal income tax may be required. It is the member's responsibility to contact the state tax authority to determine tax liability.			
Rhode Island (401) 222-3911	Yes	Federal Form W-4 *	Rhode Island Division of Taxation 1 Capitol Hill Providence, RI 02908
South Carolina (803) 222-5709	Yes	Federal Form W-4 *	South Carolina Department of Revenue PO Box 125 Columbia, SC 29214
South Dakota	NO STATE INCOME TAX		
Tennessee 800-342-1003 (In state) (615) 741-3506	No (exempts all active duty military pay)		Department of Revenue Jackson State Office Building 500 Deaderick St Nashville, TN 37242
Texas	NO STATE INCOME TAX		
Utah 800-662-4335 (Salt Lake City) (801) 2970-2200 (All others)	Yes	Federal Form W-4 *	Utah State Tax Commission 210 N 1950 W Salt Lake City, UT 84134
Vermont (802) 828-2865	Yes	Federal Form W-4 *	Vermont Department of Taxes Taxpayer Services Division 109 State Street Montpelier, VT 05609
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Virginia (804) 367-8031	Yes	State Form VA-4	Customer Services Section PO Box 1115 Richmond, VA 23218-1115
Washington	NO STATE INCOME TAX		
West Virginia 800-942-8297 (In state) (304) 558-3333	No		Department of Tax & Revenue Taxpayer Services Division PO Box 3784 Charleston, WV 25337-3784
<b>Note:</b> Filing of a tax return and payment of personal income tax may be required. It is the member's responsibility to contact the state tax authority to determine tax liability.			
Wisconsin (608) 266-2772	Yes	Federal Form W-4 *	Wisconsin Department of Revenue PO Box 8903 Madison, WI 53708
Wyoming	NO STATE INCOME TAX		
* These states use Federal W-4 annotated "For SITW Purposes Only".			

## Income Tax Exclusion for Duty in Combat Zone

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### Introduction

Certain income earned by members of the Armed Forces while in a combat zone designated by the President is not subject to withholding of federal or state income tax.

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### Qualified Areas for Combat Tax Exclusion

Section 8-G-2 of the Coast Guard Pay Manual designates combat zones, which qualify for federal income tax exclusion. The listing of qualified areas may be modified from time to time via ALCOAST or ALDIST messages.

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### Rules for Combat Tax Exclusion

The following rules apply when determining income tax exclusion for duty in a combat zone.

- A member who is present on official duty in a combat zone, no matter how brief, qualifies for combat tax exclusion for that month.
  - When the airspace over a combat zone is included as part of the zone, members who pass over or through the combat zone during the course of a trip between two points, both of which lie outside the zone, are entitled to an exclusion. However, this exclusion is valid only if the members are assigned to the airspace of the combat zone on official temporary duty, or if the members qualify for hostile fire/imminent danger pay as a result of the flight.
  - Members performing military duties in areas outside a designated combat zone in support of military operations in a combat zone, who qualify for imminent danger pay, also qualify for combat tax exclusion.
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## Income Tax Exclusion For Duty In Combat Zone, Continued

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### Amount of Combat Tax Exclusion

For enlisted members and warrant officers, all taxable military pay items earned by a member during a month while serving in a combat zone are excluded from federal and state taxation.

For officers O-1 and above, the first \$4,503.00 per month of taxable military pay items are excluded from federal taxation.

**Note 1:** The \$4,503.00 figure increases annually to match the current base pay rate for and E-10

**Note 2:** Imminent danger pay (if entitled) is not included in the \$4,503.00 ceiling.

Members entitled to combat tax exclusion will not have any Federal/State income tax withheld from the exempted amount of their pay. Voluntary withholding of this amount is not permitted.

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### Extension of filing date for tax returns

Members serving in a combat zone are allowed an extension of up to 180 days to file their federal income tax return.

The due date for filing state tax returns is regulated by each state. Members serving in a combat zone should contact their state tax office regarding the postponement of filing state tax returns

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### Procedures

Notify the servicing PERSRU, via letter or message, when a member qualifies for or loses entitlement to combat tax exclusion. When starting combat tax exclusion, include a statement indicating the member is entitled on either a:

- Continuous basis (tax exclusion will continue until submission of a subsequent stop transaction) or on a,
- One time basis (tax exclusion for a single month only).

Notification of eligibility for combat tax exclusion may be included with a notification of eligibility for Hostile Fire (Imminent Danger) Pay (HFPAY), if the member becomes qualified for HFPAY at the same time. See page 7-A-7 of this manual for the procedures for reporting entitlement to HFPAY.

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## Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form

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**Mailing of IRS Form W-2**      IRS Form W-2s are mailed no later than 31 January of each year. To allow for reasonable mailing and forwarding due to address changes, reporting of lost or missing W-2 forms should be after 15 February.

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**Ensuring Tax Mailing Address is correct**      To furnish the member with a timely IRS Form W-2, the member should:

- Take care of address changes promptly (submit a PCS Reporting Worksheet upon reporting to new unit or a BAH/Housing Worksheet to change tax mailing address within 1 week of address change).
- Notify Post Office if late December, so W-2 can be forwarded.
- Ensure all addresses comply with prescribed postal address standards.

**Note:** Information about mailing addresses:

- To comply with Postal regulations and to receive mailing discounts, addresses contained in PMIS/JUMPS are ran through a monthly postal standard address conversion program.
- The postal database does not recognize that numerous Coast Guard units may reside at a given address. For instance, in Portsmouth, there are several units located at 4000 Coast Guard Blvd. For single members living in barracks or shipboard berthing, the unit's name may be part of the address.
- To ensure proper delivery, the unit's name must be entered at the BEGINNING of the street information on the Tax Mailing Address transaction and the accurate 9-digit zip code must also be entered.
- If the unit's name is at the end of the street information or as part of the city/town information or the 9-digit zip code was not entered, the unit's name will be deleted by the monthly postal address conversion program.

**Example of Good Address:** ISC (BEQ) 4000 CG Blvd  
Portsmouth, VA 23703-2199

**Example of Bad Address:** 4000 CG Blvd ISC (BEQ)  
Portsmouth, VA 23703-2199

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## Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

**For members entering the Coast Guard late in the calendar year**

If transactions to access a member into PMIS/JUMPS do not properly process until after the PMIS/JUMPS end month compute December polling cutoff, the member will not receive a W-2 for the year mbr entered the Coast Guard.

**For example:** A member enlists on 16 December 1997, but was not paid by PMIS/JUMPS until 15 January 1998. The member will not receive a W-2 for 1997. The taxable wages earned by the member during calendar year 1997 will be reported on the member's 1998 IRS Form W-2 (as per IRS regulations).

**Taxable wages are reported when paid vice when earned**

For example, an E-5 serves aboard a Career Sea Pay eligible vessel from 12 to 16 December 1997, but the member does not receive payment for the Career Sea Pay earned in 1997 until 15 January 1998. Per IRS regulations, the taxable income is reported on the IRS Form W-2 for 1998.

**General information regarding the IRS Form W-2**

General information regarding each block on the IRS Form W-2 can be found on the reverse of "Copy C for Employee's Records". Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2:

Block	Information about the block
13.Q	<p><b>Earned Income Credit (EIC):</b> Pay earned in a combat zone, Basic Allowance for Housing Type II, the value of in-kind quarters and subsistence are all earned income that is not taxed but must be reported as EIC. These amounts are listed in Block 13 under code "Q". Basic guidelines for how to calculate the EIC is as follows:</p> <ul style="list-style-type: none"><li>• <b><u>EIC contains a subsistence amount equal to enlisted Separate Rations (SEPRATS)</u></b> regardless of the subsistence entitlement received during the year or whether the member is an officer or enlisted. For example, an enlisted member stationed aboard a cutter with an established dining facility does not receive SEPRATS. However, the value of in-kind subsistence contained in Block 13Q will contain an amount equal to the daily rate of SEPRATS. For 1997, an enlisted member stationed aboard a cutter for the entire year will receive subsistence in the amount of \$7.36 a day (365 X \$7.36 = \$2,686.40).</li></ul>

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## Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

General  
information  
regarding the  
IRS Form W-2,  
Continued

Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2, continued:

Block	Information about the block
13.Q, cont	<ul style="list-style-type: none"><li>• <b>EIC contains a BAH amount</b> and is more complicated than the subsistence calculation. EIC reflects BAH Type II with dependents for the periods the member received:<ol style="list-style-type: none"><li>(1) BAH with dependents;</li><li>(2) Assigned to family type quarters;</li><li>(3) BAH Type II without dependents and BAH Diff simultaneously and;</li><li>(4) Assigned to single quarters while receiving BAH Diff, i.e., receiving BAH Diff while assigned to Unaccompanied Leased Housing;</li><li>(5) BAH Diff.</li></ol>EIC reflects BAH Type II without dependents for the periods the member received:<ol style="list-style-type: none"><li>(1) BAH Partial only (no BAH Diff);</li><li>(2) BAH Type II without dependents (no BAH Diff);</li><li>(3) Assigned to single quarters and not receiving BAH Diff (i.e., has no dependents and is assigned to Unaccompanied Leased Housing).</li></ol></li><li>• <b>Combat tax exclusion.</b> For enlisted and warrant officers, all taxable military pay items earned by a member during a month while serving in a combat zone are excluded from federal and state taxation. As a result, these amounts are included in EIC. For officers, only the amount taxable of military pay (which is equal to the current base pay rate for an E-10) is included.</li></ul> <p><b>Note:</b> IRS Publication 3, Armed Forces' Tax Guide and Publication 596, Earned Income Credit, provide information pertaining to and guidance on how to apply for EIC.</p>
13.T	Adoption Assistance Benefits. Qualified adoption expenses paid by the Coast Guard are not subject to federal income tax withholding.

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## Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

**General  
information  
regarding the  
IRS Form W-2,  
Continued**

Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2, continued:

Block	Information about the block
15	<ul style="list-style-type: none"><li>• For active duty members, IRS regulations require the “Pension Plan” block be checked.</li><li>• For reserve members, the “Pension Plan” block will only be checked if the member served on active duty, other than for training, for more than 90 days. If the cumulative active service during the calendar year was less than 91 days, the “Pension Plan” block will not be checked on the reserve member’s IRS Form W-2.</li></ul>

**How to request  
a duplicate IRS  
Form W-2**

To receive a duplicate W-2 form for the previous year, the member must:

Step	Action	
1	Review address on December LES (Block #22).	
	If	Then
	correct	the unit submits a request (E-mail, FAX, letter, etc.) to HRSIC (SES) after 15 February indicating: <ul style="list-style-type: none"><li>• lost, destroyed or did not receive.</li><li>• member’s name, and SSN.</li></ul>
	incorrect	<ul style="list-style-type: none"><li>• contact prior unit/residence and request the W-2 form be forwarded.</li><li>• contact PERSRU to update current mailing address.</li></ul>
2	<p>If after 15 February the W-2 has not been located or is lost; the member’s unit or PERSRU submits request (E-mail, FAX, letter, etc..) to HRSIC (SES) including:</p> <ul style="list-style-type: none"><li>• member’s name and SSN.</li><li>• mailing address for duplicate W-2.</li><li>• reason why block #22 was not updated with current address and action taken to update address or</li><li>• if W-2 was lost or destroyed indicate “lost”.</li></ul>	
3	Upon receipt of request, HRSIC (SES) will reissue W-2 within 14 days.	

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## Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

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**How to request a corrected IRS Form W-2** Follow the procedures below when questioning a figure reported on the IRS Form W-2:

Stage	Who does it	What happens
1	MEMBER	Notifies unit admin office with the following: <ul style="list-style-type: none"><li>• Item on W-2 suspected to be in error</li><li>• What the member thinks is the right amount and why</li><li>• calculations</li></ul>
2	UNIT	<ul style="list-style-type: none"><li>• Review member's calculations and supporting documentation, i.e., LES</li><li>• If the EIC amount is in dispute, first determine if the member would even qualify for EIC. There is no value added in recalculating EIC, if the member earns too much money and would not qualify for EIC.</li></ul>
3	PERSRU	<ul style="list-style-type: none"><li>• Verify calculations provided by member/unit</li><li>• Notify HRSIC (SES) via E-mail and provide calculations. An example is:  <b>E-mail example:</b> Suspect EIC reported in Box 13.Q of (RANK/NAME/SSN) IRS Form W-2 for tax year XXXX is incorrect. We calculate the EIC to be \$7,556.08 based on the following:  \$2,686.40 (\$7.36 per day for subsistence (1997 rate)) \$4,515.20 (BAH Type II with, E4, from 97Jan29 to 97Dec31 @ \$408.00 month) <u>\$ 354.48</u> (BAH Type II with, E3, from 97Jan01 to 97Jan28 @ \$379.80 month) \$7,556.08</li></ul>

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## Request for Federal or State Tax Adjustments

### Request for Federal or State Tax Adjustments

It is the member's responsibility to ensure that his/her federal or state tax information is kept current and up-to-date. If through administrative error (i.e., PERSRU received a tax adjustment request from the member, but failed to act on member's request), a retroactive adjustment may be requested. If there is no administrative error, a retroactive adjustment will not be made.

**Example:** The state of California permits the member to be exempt from state taxation while on active duty and stationed outside the state. If a member who is stationed in California and is a legal resident of California, transfers PCS to Florida, the member is responsible for ensuring he/she is exempt from state withholding. If the member does not initiate action to change his/her state tax until several months later, the member will not receive the SITW previously withheld. The member will have to collect any overpaid state taxes from the state of California.

If an adjustment needs to be made to the member's FITW or SITW then the member must:

If the member is	Then
Active Duty, Reserve, or NOAA	A request (i.e., RDLTR, E-mail) for an adjustment must be submitted via the servicing PERSRU, with supporting documentation (i.e., DD Form 2058), to HRSIC (SES). <b>Note:</b> The request must be received at HRSIC prior to 10 December of the current tax year. Per IRS regulations, requests for refunds of FITW or SITW for a <u>prior tax year</u> will not be processed. For a prior tax year, the member will have to collect any overpaid FITW or SITW from the IRS or the state.
Retired (or their annuitants)	A request must be submitted to HRSIC (RAS). <b>Note:</b> The request must be received at HRSIC prior to 10 November of the current tax year. Per IRS regulations, requests for refunds of FITW for a prior tax year will not be processed. For a prior tax year, the member will have to collect any overpaid FITW from the IRS.

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## Request for Federal or State Tax Adjustments, Continued

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### IRS Form W-2c

A statement of Corrected Income and Tax Amounts (IRS Form W-2c) is prepared by HRSIC (SES) in cases where it becomes necessary to report corrected tax information. HRSIC (SES) will issue a IRS Form W-2c when the member was qualified for Combat Tax Exclusion for duty in a combat zone.

**For example:** A member was eligible for Combat Tax Exclusion for the month of October 1997. On 15 February 1998, the member receives the W-2 and becomes aware that the appropriate transactions were not submitted by the PERSRU for tax exclusion. After the appropriate transactions are submitted by the PERSRU through PMIS/JUMPS, HRSIC (SES) will issue the member an IRS Form W-2c to adjust the member's taxable wages and Earned Income Credit (EIC) (blocks 1 and 13C).

**Note:** Per IRS regulations, since the tax year has ended, HRSIC cannot refund the FITW or SITW that was withheld in October 1997. Since the year has ended and all withholdings have been reported and paid to the IRS and/or applicable state, the member will collect any overpaid FITW or SITW when he/she files a return or an amended return.

For the purpose of making adjustments for prior period W-2s, all tax returns are considered to be filed on 15 April of the year after the close of the tax year, and any adjustments to a W-2 may only be made within 3 years of that date.

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